

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (7/27):**

BUTTER: Grade AA closed at \$1.9875. The weekly average for Grade AA is \$1.9517 (+.1075).

CHEESE: Barrels closed at \$1.6325 and blocks at \$1.6700. The weekly average for barrels is \$1.6325 (N.C.) and blocks, \$1.6700 (+.0005).

NONFAT DRY MILK: Extra Grade closed at \$0.9900 and Grade A closed at \$1.0000. The weekly average for Extra Grade is \$0.9900 (N.C.) and Grade A, \$1.0000 (N.C.).

BUTTER: Butter markets are firm. Churning schedules range from light to seasonally active across the country depending on cream availability and pricing. Often, cream supplies are not readily available on a spot basis as ice cream production is absorbing a significant portion of available offerings. Butter demand is seasonally fair. Many buyers are purchasing on an as needed basis until market conditions stabilize. Retail orders are fair, occasionally stronger due to localized feature activity, with food service orders seasonally active.

CHEESE: The cheese market is steady. Current demand is generally fair at best. Cheese buying patterns are expected to shift as distributors prepare for the reopening of schools. Current cheese supplies are becoming in better balance with demand. Cheese production is lower, especially in heat stressed areas. Producers feel that supplies will tighten as cheese production declines further as school milk bottling resumes. Many feel that since cash market prices at the Chicago Mercantile Exchange are based on current cheddar, 30 days of age or less, this may lead to a firmer market.

FLUID MILK: Milk production is fairly steady through much of the Northeast and Southeast. In the Midwest, high heat indices, the combination of temperature and humidity, are reducing milk receipts at many locations. Higher temperatures returned to California and receipts have declined. In New Mexico and Arizona, fluid output has also declined due to the weather. For some handlers, the lower receipts are causing problems in filling contracts. In the Northwest, production is declining seasonally. Class I sales are generally steady at low summer levels. Due to lower weights on incoming direct shipments in heat stressed areas, supplemental loads are needed by bottlers for stable production. Cream demand remains good, bolstered by seasonal ice cream demand. Manufacturing plant schedules are also lighter in most areas. Interregional supplemental milk volumes were lower.

DRY PRODUCTS: The recent bout of hot and humid weather in some locations has caused an increase in off grade product and reduced dryer efficiencies. The NDM market is steady at best. Some exports sales of NDM are noted without DEIP, which still has not been announced for the new year starting July 1. Drying schedules are lighter in the Midwest, but steady to heavier in the Northeast and West. Current market interest is limited. The whey market is unsettled. Spot demand is often light. Most producers expect supplies to tighten seasonally into fall as additional milk supplies are utilized in fluid channels. However, some buyers are still expecting price weakness and are delaying purchases. Buttermilk markets are unsettled though prices are mostly steady. The recent declines in NDM prices have some buyers expecting buttermilk prices may weaken in the future. Reformulated products without buttermilk are reducing demand for some sellers. The WPC market is mostly steady with activity light. Current supplies are limited, though off condition offerings are higher. The lactose market remains firm. Many producers remain sold out and are behind on orders due to weather related problems.

CCC: During the week of July 23 - 27, CCC net purchases totaled 3,160,770 pounds of Western nonfortified NDM. This is the smallest total since the week ending June 22.

COLD STORAGE (NASS): According to NASS, U.S. cold storage holdings of butter on June 30, 2001 totaled 148.2 million pounds, 2% higher than a month ago, and 12% more than June 2000. Natural American cheese holdings total 529.1 million pounds, up 5% from a month ago but 11% less than a year ago.

COMMERCIAL DISAPPEARANCE (ERS, AMS): Commercial disappearance of dairy products during January - April 2001 totals 69.0 billion pounds, up 1.6% from the same period in 2000. Comparing disappearance levels with year earlier levels: butter is down 5.7%, American cheese, up 1.6%, Other cheese, up 2.1%, NDM, 39.2% higher, and fluid milk products, down 0.1%.

CONSUMER PRICE INDEX (BLS): The June CPI for all food is 173.0, up 3.4% from June 2000. The dairy products index at 166.9, is up 4.6% from a year ago. The following are the June to June changes for selected products: fresh whole milk up 6.4%, cheese 3.2% higher, and butter jumped 30.0%.

****SPECIALS THIS ISSUE****

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., **NONFAT DRY MILK:** carlot = 42,000-45,000 lbs., **BUTTER:** carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY JULY 23	TUESDAY JULY 24	WEDNESDAY JULY 25	THURSDAY JULY 26	FRIDAY JULY 27	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.6325 (N.C.)	\$1.6325 (N.C.)	\$1.6325 (N.C.)	\$1.6325 (N.C.)	\$1.6325 (N.C.)	N.C.	\$1.6325 (N.C.)
40# BLOCKS	\$1.6700 (N.C.)	\$1.6700 (N.C.)	\$1.6700 (N.C.)	\$1.6700 (N.C.)	\$1.6700 (N.C.)	N.C.	\$1.6700 (+.0005)
NONFAT DRY MILK EXTRA GRADE	\$.9900 (N.C.)	\$.9900 (N.C.)	\$.9900 (N.C.)	\$.9900 (N.C.)	\$.9900 (N.C.)	N.C.	\$.9900 (N.C.)
GRADE A	\$1.0000 (N.C.)	\$1.0000 (N.C.)	\$1.0000 (N.C.)	\$1.0000 (N.C.)	\$1.0000 (N.C.)	N.C.	\$1.0000 (N.C.)
BUTTER GRADE AA	\$1.8800 (+.0150)	-----	\$1.9875 (+.1075)	-----	\$1.9875 (N.C.)	+.1225	\$1.9517 (+.1075)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE**MONDAY, JULY 23, 2001**

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.6675; OFFERS UNCOVERED: NONE

NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER — SALES: 3 CARS GRADE AA: 2 @ \$1.8650, 1 @ \$1.8750; BIDS UNFILLED: 2 CARS GRADE AA: 1 @ \$1.8800, 1 @ \$1.7650; OFFERS UNCOVERED: 4 CARS GRADE AA: 1 @ \$1.9200, 1 @ \$1.9300, 1 @ \$1.9400, 1 @ \$1.9500

TUESDAY, JULY 24, 2001

CHEESE — SALES: 3 CARS 40# BLOCKS @ \$1.6700; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, JULY 25, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.6325

NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER — SALES: 12 CARS GRADE AA: 1 @ \$1.8900, 2 @ \$1.9000, 1 @ \$1.9200, 1 @ \$1.9300, 1 @ \$1.9400, 1 @ \$1.9500, 1 @ \$1.9600, 1 @ \$1.9700, 1 @ \$1.9800, 1 @ \$1.9850, 1 @ \$1.9875; BIDS UNFILLED: 3 CARS GRADE AA: 1 @ \$1.9300, 2 @ \$1.8600; OFFERS UNCOVERED: 4 CARS GRADE AA: 2 @ \$1.9900, 2 @ \$2.0000

THURSDAY, JULY 26, 2001

CHEESE — SALES: 4 CARS 40# BLOCKS @ \$1.6700; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.6325

NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, JULY 27, 2001

CHEESE — SALES: 5 CARS 40# BLOCKS @ \$1.6700; BIDS UNFILLED: NONE; OFFER UNCOVERED: NONE

NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER — SALES: NONE; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.7800; OFFERS UNCOVERED: 4 CARS GRADE AA: 1 @ \$1.9875, 2 @ \$2.0000, 1 @ \$2.0100

BUTTER MARKETS**JUNE MONTHLY COLD STORAGE**

According to NASS, June month-end cold storage figures for butter total 148.2 million pounds, 1.7% more than last year and 12.7% heavier than May holdings.

NORTHEAST

The market tone is unsettled. At the CME, the butter price increased more than 10 cents last week. For some, this seems to be the trade wanting to reestablish their idea of where the price should be. Offers (23 out of the 33 sales last week were on offers) at the CME have been heavier during the past month. Most contacts feel that these increased offers were a result of July futures contract deliveries being offered on the cash market. Last week, excess cream volumes ranged from light to mostly heavy. Churning activity in the East is light, but one facility that was down for maintenance is now back on line. Bulk offerings are more than adequate for needs and packaged supplies are fully adequate. Retail sales are slow to fair, at best. Food service orders are holding up nicely. Sales of bulk butter, f.o.b. East, are reported in a range of 3.5 – 8.0 cents over the CME price/average.

CENTRAL

Butter markets are firm. Through mid-week, the cash price at the CME has regained most of the recent decline. The current cash price is over 80 cents higher than last year at this time but comparable to prices in July 1998. Midwestern churning activity is seasonally active, although surplus cream offerings are not as plentiful as some producers desire. Stocks of butter continue to run lighter than

last year at this time. There are mixed opinions on how to approach inventory management for fall needs. Some producers are comfortable with storing additional production while others are clearing their production and maintaining low stocks. Producers and handlers continue to report that they are being offered imported butter to supplement current output. Some buyers are taking advantage of these offerings for manufacturing needs, while others are not acknowledging the offers. Overall butter demand is fair. Most orders are being placed for short term or immediate needs. Some buyers were hesitant to purchase in a weakening market in hopes of further price declines, but now have returned to the market as the AA price firms. When available, bulk butter for spot sale is selling in a price range of 3 – 5 cents per pound over various pricing bases.

WEST

Western butter markets are reported to be firm following the AA price level at the CME. Churning activity in the West is mixed. Some producers continue to generate stocks while others are more willing to sell their cream versus churn at this time. Some of this willingness to sell versus churn is coming from good demand from ice cream producers and producers unwilling to build high priced inventories. Cream volumes are mixed. Some handlers report that cream supplies are less available as milk production is lower in their area. Some of these cream handlers are having difficulty in meeting their contracted needs. Overall butter demand is fair. Often buyers are placing orders for short term needs until market conditions settle down. Stocks in CME approved warehouse fell this week by nearly 1.8 million pounds to 73.9 million pounds, the largest weekly adjustment thus far this calendar year. These stocks continue to lag last year at this time. Current prices for bulk butter range from 6 cents under early in the week to flat market based on the CME with various time frames and averages involved.

NASS DAIRY PRODUCT PRICES
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE	BARRELS	NDM	BUTTER	DRY WHEY
	40# BLOCKS	38% MOISTURE			
JULY 21	1.6546 7,822,972	1.6355 8,075,707	0.9533 27,132,598	1.8157 2,565,526	0.2883 10,230,940

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices range from unchanged on natural styles to fractionally higher on process items. The market tone is mostly steady. Some contacts feel that prices at the CME may have reached a plateau and are holding while they wait to see what milk supplies and cheese sales do in the next month or two. Currently, production is light to moderate, but as we go into August, milk supplies usually tighten and cheese output slows. At this time, cheese output in the East is holding relatively steady. Demand for cheese ranges from slow to fair and best interest is for process and mozzarella. Cheddar orders are mostly for replacement needs. Producer stocks are more than adequate to cover current demand levels. Food service orders are good while retail sales are slow to fair.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.7150-2.1850
Cheddar Single Daisies	:	1.6725-2.1325
Cheddar 40# Block	:	1.8100-1.9925
Process 5# Loaf	:	1.8425-2.0050
Process 5# Sliced	:	1.8625-2.1225
Muenster	:	1.8750-2.0825
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is steady. A few firms indicate that the market is just "treading water" at current prices. Many traders are anticipating that current cheese supplies will tighten and prices could firm as milk receipts decline seasonally and the demand for milk for fluid increases as schools reopen. Cheese interest is generally in the summer doldrums. Cheese supplies are at least adequate for the mostly slow to fair interest. Best interest is typically for shredded cheese over natural chunks or process. A few packagers are expecting orders to improve, especially where promotional activity is being planned. Spot interest is mostly for product for immediate needs. Many packagers and processors have extra production line time available. Some producers continue to build inventory, as buyers are not clearing offerings. Recent heat and humidity in the region have caused plant milk receipts to decline noticeably during the past week. Combined with lower fat and protein tests on milk supplies, cheese output is lower.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.8525-2.0400
Brick And/Or Muenster 5#	:	1.9900-2.2650
Cheddar 40# Block	:	1.9800-2.1150
Monterey Jack 10#	:	2.1400-2.2925
Blue 5#	:	2.4100-2.6300
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.0200-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.4300-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	JULY 23 - 27, 2001
BARRELS*	:	\$1.6325 - 1.6500 (NOMINAL)
	:	(\$.0025) (.0025)
40# BLOCKS	:	\$1.6700 - 1.7000 (NOMINAL)
	:	

() Change from previous week. * If steel, barrel returned.

WEST

Western cheese markets are generally steady with prices unchanged to fractionally higher on process. Some producers and handlers are stating that the market undertone is firm. Many are concerned about having sufficient volumes of milk to maintain steady production schedules. School milk bottling demand will be increasing soon and milk production will be trending seasonally lower. Presently, most cheese plants have sufficient milk volumes and are running full out. Barrel cheese stocks are tight with blocks or cutting cheese in a better position. Some barrel users are supplementing domestic supplies with imported stocks and are having less than positive results from a quality point of view.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.7825-2.0425
Cheddar 40# Block	:	1.7900-1.9525
Cheddar 10# Cuts	:	1.9700-2.1900
Monterey Jack 10#	:	1.9800-2.1400
Grade A Swiss Cuts 6 - 9#	:	2.3500-2.5400

FOREIGN

Prices and the market tone are generally unchanged. A few price changes were noted, but the CME 40# block average (the basis for many domestic prices) did not change appreciably last week. Demand is unchanged and supplies are adequate to cover needs.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	:	TFEWR
Blue	:	2.6400-3.1400
Gorgonzola	:	3.2400-5.9400
Parmesan (Italy)	:	TFEWR
Romano (Italy)	:	2.1000-2.9900
Provolone (Italy)	:	3.4400-5.5000
Romano (Cows Milk)	:	-0-
Sardo Romano (Argentina)	:	2.6500-3.2900
Reggianito (Argentina)	:	2.6500-3.2900
Jarlsberg-(Brand)	:	2.7500-3.5900*
Swiss Cuts Switzerland	:	-0-
Swiss Cuts Finnish	:	2.5900-2.8500
Swiss Cuts Austrian	:	2.2500-2.7500
Edam	:	
2 Pound	:	TFEWR
4 Pound	:	2.1900-2.9500*
Gouda, Large	:	2.3900-2.6800
Gouda, Baby (\$/Dozen)	:	
10 Ounce	:	27.8000-31.7000

* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER : CHEESE

	:	
07/23/01	:	44,319
07/01/01	:	42,110
CHANGE	:	2,209
% CHANGE	:	5

:	:	
:	:	131,493
:	:	135,513
:	:	-2,020
:	:	-2

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	0	27	0	33	0
SOUTHEAST STATES	0	0	42	0	0	0

The base price for Class I milk for August 2001 is \$15.40 per cwt., up \$0.06 from July 2001. Class I differentials specific to each order are added to the base price to determine the Class I price. The Class II skim milk price for August is \$8.20, down thirty-eight cents from July. Hot weather continued through midweek in the Northeast and milk output is steady. Further south, milk production in the Middle Atlantic and Southeastern regions is also steady. Florida has received some much-needed rain and their milk output is holding about steady. Fat and protein tests on the incoming milk remain seasonally low. Handlers in Florida did not import "outside" milk this week; their near-by, regular sources were able to satisfy this week's needs. Bottled milk sales are sluggish in most of the region. A few, scattered retail features are noted, but overall, sales are slow. Manufacturing plant schedules are light in the Southeast where milk supplies are the tightest, moderate in the Northeast. The condensed skim market is unsettled. Class III prices are unchanged this week, but reaching the levels where users are starting to think about switching to NDM. Demand for wet solids, particularly Class II, is fair to good as a few cheese makers are increasing output for fall needs. The fluid cream market is little changed, but prices are a little higher since the CME butter prices did increase last week. Cream supplies are tight early in the week, but ample after midweek. Demand is fairly good particularly from ice cream makers. Seasonally, demand for hard and soft serve ice cream is good despite rising retail prices. Some ice cream plants increased spot cream purchases this week as a way to keep pace with consumption. Cream cheese production is steady to slightly heavier. Churning activity is light as most butter makers are selling their cream and filling butter orders from inventories.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	2.3053-2.5450
DELIVERED EQUIVALENT ATLANTA	-	2.3741-2.5081 M 2.3421-2.4712
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	2.4436-2.5380

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.0500-1.1500
NORTHEAST- CLASS III - SPOT PRICES	- .9000-1.0300

M I D W E S T

Continued elevated temperatures and heat indices further reduced plant milk intakes, particularly noticeable at some locations over the past weekend. Some locations reported declines of well over 5%, just on weekend receipts. Though temperatures moderated, a noticeable rebound had yet to occur by midweek. Fat and protein tests on incoming fluid volumes are at low summer levels with a somewhat facetious industry comment about "not needing to skim the milk before bottling". The scramble to find milk is on as supplies tighten and some spot milk demand is going unsatisfied. The Order 30 Market Administrator is asking order plants to report on milk supplies in consideration of a possible increase in the shipping percentage. Class I sales are about steady at summer levels. Class I supplies are tight and premiums of over \$3.00 were made to secure some extra supplies. Part of the reason for extra loads is that many loads shipped directly to bottlers are arriving with reduced weights. A few weekend spot loads of manufacturing milk were made at \$1.50 - 3.00 over class but a number of other loads were

cancelled when the expected milk volumes were not received at the originating plant. Cream prices are higher reflecting recent advances on the Chicago Mercantile Exchange cash butter market. Ice cream production is seasonal with inventories continuing to decline due to the good summer demand. Milk shipments from the upper tier of states with a total of a dozen loads made from Wisconsin to Kentucky and Tennessee for pooling purposes and more to Missouri. Some Michigan milk continues to head south for supplemental needs. Early planted corn has tasseled in the upper tier of states with many fields further behind. Some areas received good recent rains but other areas remain dry and crop development is slowed. Due to dry conditions, second and/or later alfalfa cuttings are often short.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JULY 19 - 25	PREVIOUS YEAR
SLAUGHTER COWS	\$ 42.00- 50.00	\$ 37.00- 43.00
REPLACEMENT HEIFER CALVES	\$450.00-570.00	\$285.00-335.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	JULY 19 - 25	PREVIOUS YEAR
SLAUGHTER COWS	\$ 41.00- 53.00	\$ 37.00- 49.00

W E S T

Milk production did recover in parts of California, but more seasonal temperatures returned and output again dropped. Declines in the Central Valley and Southern California were 1 to 3% lower. Higher prices for hay, cows, and heifers, continue to be topics of discussion. The positive aspect is that milk prices allow for decent returns with all current factors considered. No power issues are noted within the state. New Mexico milk production continues to trend lower seasonally as high temperatures remain. Milk movements range from normal to more milk moving towards the Southeast. Plants are generally running on normal schedules. Hay harvest in New Mexico is progressing well with second cutting being finished in the north and fourth cutting starting in the south. Milk output is trending seasonally lower in Arizona. Hotter and humid temperatures are common across the producing areas. Daytime temperatures are reaching 105 degrees and are also warm at night. Milk can be handled locally. Milk volumes are less than projections and processors are often scrambling to fill contracted orders for cream. Cream multiples are in the 125 to 135 FOB range this week. The increase in the butter price will have some impact. Processors rate demand as very good and note that they could move more cream. Condensed skim orders are also good. Milk production in the Northwestern part of the country is reported to be holding relatively steady at good levels, although seasonally declining. In the Pacific Northwest, milk handlers are stating that weather conditions this spring and summer have been nearly ideal for good milk production patterns. Various milk handlers are attributing steady milk volumes to more producing units versus production per cow. Milk volumes are sufficient to maintain steady manufacturing schedules, although milk handlers are concerned about milk availability within the next month. As milk output declines seasonally and the demand for upcoming school bottling needs increases, milk handlers question milk availability for early fall. Moisture of varying amounts fell throughout most of the region during the past week. Although many areas continue to report lighter than desired moisture levels, the rain that did fall was welcomed. Grain crops in the Northwest are in fairly good shape, although the hay crop is referred to as a disaster. Lack of water is the major factor being attributed to the poor crop. Replacement animal prices in the area continue to be running well above last year at this time. Strong demand from buyers from outside of the region are clearing most of the available animals. Bred heifer prices are in the \$1600 - 2000 range while open heifers range \$1000 - 1200. Week old heifer calves are also receiving strong buyer interest.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 07/26/01 and represent FOB Central and Western production areas. Prices represent CL/TL quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices at the low end of the range rebounded this week as no Central NDM was offered to CCC. The market tone is steady to weaker. Locally, production is lighter as surplus milk supplies are shrinking along seasonal patterns. Producer stocks are light to adequate for the slow to fair demand. Buyers feel that prices will soon be lower and are waiting as long as they can to purchase spot needs. High heat sales are holding up fairly well, but again, buyers are not purchasing too far ahead.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .9600 - 1.0550 MOSTLY: .9600 - 1.0250

DRY BUTTERMILK - CENTRAL

Prices are unchanged to lower and nominal. The dry buttermilk market is steady to weaker. Buyers expect NDM prices to move lower in the coming weeks/months and feel that buttermilk prices will follow. With that in mind, most are purchasing for immediate needs. Offerings of dry and condensed buttermilk are light to moderate. Some butter makers are moving all their buttermilk as a liquid rather than dry it. Overall demand for dry buttermilk is fair at best.

BUTTERMILK: 1.0350 - 1.1400

DRY WHEY - CENTRAL

The dry whey market is mixed and unsettled. Prices are nominal and unchanged to lower within the range. Spot demand is sluggish and most often on the resale side of the market. Most producer sales are via contracts with the few spot sales taking place at unchanged prices. Traders and producers report a very quiet week with regard to market activity. At this time, there appears to be two distinct sides to the market tone. Some buyers are being offered lower prices from resellers and users with too much inventory. However, in one or two instances, producers did reduce premiums to remain competitive. Feed makers and animal feeders are making few purchases as they feel prices will move lower in coming weeks. Conversely, producers are pretty well sold out and note that milk supplies are tightening. The recent hot, humid weather caused some processing/drying problems and more "off grade" product was produced which further tightened the Extra Grade supply. With schools reopening in the next 4 - 5 weeks, producers expect even lower output and most are not overly eager to discount prices at this time.

NONHYGROSCOPIC: .2850 - .3050 MOSTLY: .2925 - .2975

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower and nominal. Animal feed users and makers report being offered increased quantities of whey products, from resellers, other users, and producers. Offerings of milk replacer are increasing as the hot weather caused quite a few quality problems in dryers across the region. Increased offers and slower demand are creating a weaker undertone. Roller ground and delactose demand is steady and generally contractual.

MILK REPLACER: .2425 - .2650
ROLLER GROUND: .2800 - .3000
DELACTOSE (Min. 20% protein): .4150 - .4300

LACTOSE - CENTRAL AND WEST

The lactose market remains firm and prices are unchanged. Production levels are steady to lighter and also being affected by the hot, humid weather. Many producers are sold out and trying to get caught up with orders. Demand for edible and feed quality product is holding up at good levels.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1750 - .2700 MOSTLY: .1950 - .2200

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

The market tone is unchanged and prices are mostly steady and nominal. Few spot sales are being reported, but offers, particularly to feed users, are heavier. The recent hot weather caused some drying difficulties at many locations, which resulted in increased offers of "off condition" WPC to feed makers/users. Producers report being sold out and clearing product satisfactorily. Some are having difficulty keeping up with contract sales. This is a result of tighter milk supplies and finished product quality issues. However, traders cite a sluggish, inactive market this week. Producers, that can, are easing back on 34% production and increasing output of high protein products, which are in good demand.

EXTRA GRADE 34% PROTEIN: .7600 - .8250 MOSTLY: .7700 - .8000

NONFAT DRY MILK - WEST

Low/medium heat prices continue to move lower within the range and are reflected in the mostly price series, which represents the majority of transactions for the week. Contacts are noting that direct exporting is occurring. There are concerns that these sales will preclude the need for DEIP sales, at least until world prices decline below the U.S. price. No announcement has yet been made on the current DEIP year allocations. Production levels were higher in areas of the West where milder weather allowed milk output to increase. The increase in milk was often a mixed blessing to processors who want more cream, but do not want more NDM. Demand for powder remains light above contracted amounts. Buyers are waiting for contract prices to lower for August. High heat prices are holding steady, but the trend is expected to be lower to mirror the low heat market. Production is light with fair to good seasonal demand noted. During the week of July 16 - 20, CCC purchased 6.2 million pounds of Western nonfortified NDM.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .8950 - 1.0250 MOSTLY: .9300 - .9500
HIGH HEAT: .9800 - 1.0500

DRY BUTTERMILK - WEST

The market tone remains somewhat unsettled, although prices have not changed in several weeks. Spot interest in buttermilk is light at current pricing levels. Several contacts have noted that accounts have moved and continue to move buttermilk out of formulations. Sales outside of contracts are slow. Price is the main issue, especially with NDM prices trending lower. Inventory levels are steady.

BUTTERMILK: 1.0400 - 1.1000 MOSTLY: 1.0500 - 1.0800

DRY WHEY - WEST

Whey powder prices remain basically steady, although the top of the reported price range edged lower. The market tone remains firm. Producers, handlers, and buyers have mixed opinions as to stock availability, but for the most part indicate supplies to be limited. Delays with delivery are often being reported. Most producers are clearing everything that is being produced with no problem. Some Western dryers are down this week as maintenance is being performed, thus further limiting availability. Buyers and handlers are questioning whey availability during the upcoming months as milk volumes decline for cheese production, thus limiting whey stocks.

NONHYGROSCOPIC: .2550 - .2850 MOSTLY: .2625 - .2775

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
July 20	\$.9450	18,502,484
July 13	\$.9529	15,400,917

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities for domestic and export sales in 25 kg. or 50 lb. bags, and totes, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

The market tone remains unsettled and prices are mostly unchanged. Eastern prices remain nominal as few spot sales are being reported. With Class III condensed skim demand easing because of price, some contacts feel that solids users will turn to NDM for their solids needs. Some Eastern producers are drying a little more because condensed sales are starting to lag. Most Eastern plants have little uncommitted powder on hand, but those that do, are offering prices below the major marketing agency's price in an attempt to keep it moving. Demand for NDM is rated as just fair from local producers since most buyers can purchase Western powder in the mid 90's and ship it across the country at or below local f.o.b. prices. There has not yet been an announcement of the 2001/02 DEIP allocations.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0150 - 1.0900 MOSTLY: 1.0350 - 1.0550
HIGH HEAT: 1.0575 - 1.1100 MOSTLY: 1.0625 - 1.0825

DELVD SOUTHEAST:

ALL HEATS: .9900 - 1.1100

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are unchanged and nominal in the Northeast. The market tone is little changed from the past few weeks. However, with churning activity slowing, dry buttermilk production is holding at low, seasonal levels. Producer stocks are light. Spot demand is just fair. Some buyers expect NDM prices to ease lower in the coming weeks, which could pull dry buttermilk prices with them. Sales of condensed buttermilk are about steady, but with the reduced churning, less is available.

F.O.B. NORTHEAST: 1.0450 - 1.0600

DELVD SOUTHEAST: 1.0850 - 1.1550

DRY WHOLE MILK - NATIONAL

Prices are about steady and nominal. This week's increases in the CME butter price may cause some producers to adjust their asking price for dry whole milk. Production levels remain light and just fill orders. Demand is slow and plant stocks are light.

F.O.B. PRODUCING PLANT: 1.4650 - 1.6000

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are unchanged and nominal in the East. The market tone is more unsettled. Eastern producers continue to report limited stocks and steady to lighter production. Most plants are sold out for several weeks and are trying to catch up with shipping schedules. The recent hot weather further exacerbated drying difficulties as volumes of "off grade" product increased. Spot demand is slow to fair and often filled with resale purchases. Despite the lighter output and tight supply, signs of weakness persist. In some areas, buyers/users are reselling earlier purchases at prices below current market prices. Traders report a quiet week. This seemed to be a widespread trend and covers both the East and Central regions. Despite these weakening signs, we are entering a time of year when milk production declines and schools will soon (4-5 weeks) reopen and pull even more milk away from manufacturing plants. From a demand standpoint, the market seems to be lackluster while producers who are trying to catch up with contract sales see a firming market.

F.O.B. NORTHEAST: EXTRA GRADE .2950 - .3000
USPH GRADE A .2900 - .3100

DELVD SOUTHEAST: .3175 - .3400

EVAPORATED MILK - NATIONAL

Prices and the market tone are little changed. Production is steady at seasonal levels. Milk supplies are tightening in most areas of the country. On-farm milk production is falling because of the hot weather and milk movements into deficit areas are increasing. Both of the above items would or could have an impact on canned evaporated milk production in the coming months. Demand is fair. Producer stocks are fully adequate.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Rennet and acid casein markets and prices remain firm. Domestic buyers continue to voice concern about increasing prices and how much higher will they continue to go. Availability and overall shortages earlier this spring were a major concern for all parties involved. For now, much of this uncertainty has cleared and, for the most part, buyers are once again reporting having sufficient volumes for current needs. Some are able to re-establish a workable inventory base.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.4500 - 2.7300
ACID: 2.5000 - 2.6500

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

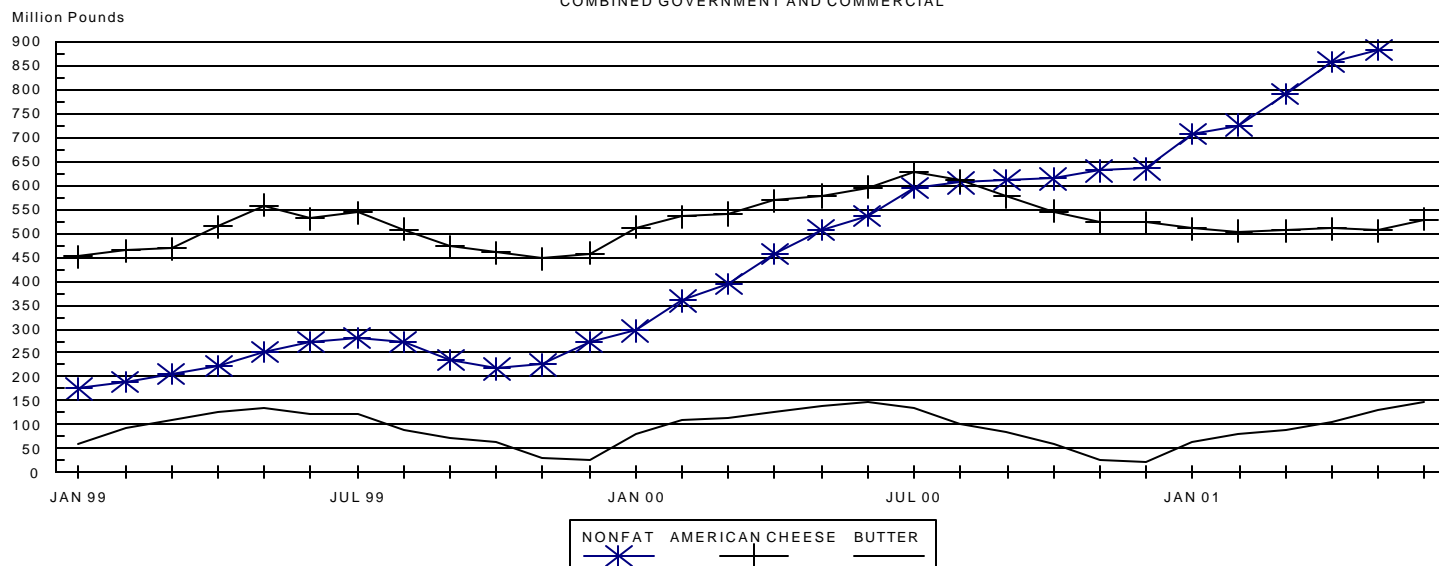
All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	MAY 31, 1999	MAY 31, 2000	REVISED MAY 31, 2001	JUNE 30, 1999	JUNE 30, 2000	JUNE 30, 2001
Butter	136,575	138,187	132,382	120,606	145,786	148,213
Cheese, Natural American	558,952	578,379	505,563	531,268	596,616	529,078
Cheese, Swiss	11,978	15,538	12,404	11,725	15,105	12,011
Cheese, Other Natural	170,359	217,532	202,304	185,427	216,387	200,935
U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
Butter	257	489	653	257	420	825
Natural American Cheese	13	52	1,741	33	46	1,852

JUNE COLD STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
New England	28,238	22,529	24,965	---	---	---	498	777	610
Middle Atlantic	48,116	48,882	51,904	---	---	---	12,764	15,118	24,885
East North Central	241,045	294,960	240,795	---	---	---	93,269	103,083	98,579
West North Central	141,373	119,306	103,411	---	---	---	66,821	73,495	58,122
South Atlantic	661	4,505	5,006	---	---	---	801	444	222
East South Central	0	0	0	---	---	---	213	201	164
West South Central	348	489	1,185	---	---	---	235	482	238
Mountain	13,889	14,571	12,941	---	---	---	961	6,163	5,852
Pacific	57,598	91,374	88,871	---	---	---	9,865	16,624	12,263
TOTAL	531,268	596,616	529,078	120,606	145,786	148,213	185,427	216,387	200,935

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

COLD STORAGE HOLDINGS
COMBINED GOVERNMENT AND COMMERCIAL



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2000 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk					
	Total <u>1/</u>		Commercial		Government		Total <u>1/</u>		Commercial		Government		Total <u>1/ 2/</u>		Commercial		Government <u>2/</u>	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
	Million Pounds						Million Pounds						Million Pounds					
January	64	82	63	82	<u>3/</u>	<u>3/</u>	510	512	508	512	2	<u>3/</u>	708	296	145	146	563	150
February	81	108	81	107	<u>3/</u>	<u>3/</u>	505	536	503	536	2	<u>3/</u>	726	359	138	173	589	186
March	90	114	90	114	1	<u>3/</u>	505	541	503	541	2	<u>3/</u>	791	395	123	168	668	227
April	108	127	107	127	1	<u>3/</u>	511	570	509	570	2	<u>3/</u>	858	458	127	197	731	260
May	132	138	132	138	1	<u>3/</u>	506	578	504	578	2	<u>3/</u>	884	506	137	197	747	309
June	148	146	147	145	1	<u>3/</u>	529	597	527	597	2	<u>3/</u>		537		171		366
July		137		137		<u>3/</u>		628		628		<u>3/</u>		596		190		406
August		101		101		<u>3/</u>		610		609		<u>3/</u>		606		152		454
September		85		85		<u>3/</u>		577		576		1		611		130		481
October		58		58		<u>3/</u>		547		546		1		614		121		493
November		27		27		<u>3/</u>		523		522		1		631		110		521
December		24		24		<u>3/</u>		523		521		1		635		119		516

NA = Not available. 1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.

COMMERCIALLY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	May 31, 1999	May 31, 2000	May 31, 2001	Jun 30, 1999	Jun 30, 2000	Jun 30, 2001
	Thousand Pounds					
Butter	136,318	137,698	131,729	120,349	145,366	147,388
Natural American Cheese	558,939	578,327	503,822	531,235	596,570	527,226

1/ Total holdings minus Government owned holdings. For more information, see page 7 of this report.

SOURCE: "Cold Storage," Co St 1 (7-01) and "Dairy Products," Da 2-6 (7-01), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE ^{1/}

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}
APR 2001	171.9	3.2	163.4	1.7	162.3	4.6	162.4	-0.7	154.7	18.1	160.7	5.1
MAY 2001	172.5	3.1	164.7	3.2	165.1	5.8	165.3	2.0	170.9	28.6	160.8	4.5
JUN 2001	173.0	3.4	166.9	4.6	167.0	6.4	166.8	3.2	178.7	30.0	161.7	4.4
U.S. City Average Retail Prices												
Month	Whole Milk ^{4/}		Lowfat Milk ^{4/}		Butter ^{5/}		Process Cheese ^{6/}		Natural Cheese ^{7/}		Ice Cream ^{8/}	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
	Dollars											
APRIL	2.845	2.773	2.652	2.711	3.009	2.300	3.738	3.747	3.883	3.790	3.651	3.338
MAY	2.893	2.782	2.564	2.714	3.262	2.379	3.862	3.692	3.964	3.740	3.633	3.347
JUNE	2.911	2.763	2.874	2.637	2.385	2.525	3.949	3.822	3.968	3.758	3.703	3.546

NA = Not available. ^{1/} "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. ^{2/} The standard reference base period for these indexes is 1982-1984 = 100. ^{3/} Percent change over previous year. ^{4/} Per gallon. ^{5/} Per pound. Grade AA, salted, stick butter. ^{6/} Per pound, any size and type of package. ^{7/} Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). ^{8/} Per 1/2 gallon, prepackaged regular.

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS-MARCH-MAY AND YEAR-TO-DATE 2000-2001 ^{1/}

Item	Mar.-May 2000	Percent change ^{2/}	Mar.-May 2001	Percent change ^{2/}	Jan.-Apr. 2000	Percent change ^{2/}	Jan.-Apr. 2001	Percent change ^{2/}
	Million Pounds							
<u>MILK</u>								
Production	43,942	3.0	43,107	-1.9	71,816	3.6	70,019	-1.9
Marketings	43,612	3.1	42,786	-1.9	71,271	3.6	69,492	-1.9
Beginning Commercial Stocks ^{3/}	9,136	17.2	8,167	-10.6	6,143	16.5	6,839	11.3
Imports ^{3/}	1,141	9.3	1,267	11.0	1,722	-4.9	2,037	18.3
Total Supply ^{4/}	53,889	5.3	52,220	-3.1	79,136	4.3	78,368	-0.4
Ending Commercial Stocks ^{3/}	10,356	7.1	9,287	-10.3	10,356	7.1	9,287	-10.3
Net Removals ^{3/}	270	221.4	36	-86.7	457	257.0	90	-80.3
Commercial Disappearance ^{4/}	43,263	4.5	42,897	-0.8	68,323	3.4	68,991	1.6
<u>SELECTED PRODUCTS ^{5/}</u>								
Butter	314.5	-0.9	285.5	-9.2	498.0	-1.1	473.3	-5.7
American Cheese	915.4	8.0	892.0	-2.6	1,462.0	6.8	1,518.9	1.6
Other Cheese	1,264.6	7.9	1,280.0	1.2	1,973.7	8.7	2,028.4	2.1
Nonfat Dry Milk	163.4	-21.6	226.4	38.6	259.4	-21.8	362.6	39.2
Fluid Milk Products ^{6/}	13,956.2	-1.4	13,928.4	-0.2	23,215.0	-0.8	23,045.7	-0.1

^{1/} Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. ^{2/} From year earlier on a daily average basis. ^{3/} Milk-equivalent, milkfat basis. ^{4/} Totals may not add because of rounding. ^{5/} Commercial disappearance in product pounds. ^{6/} Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA.

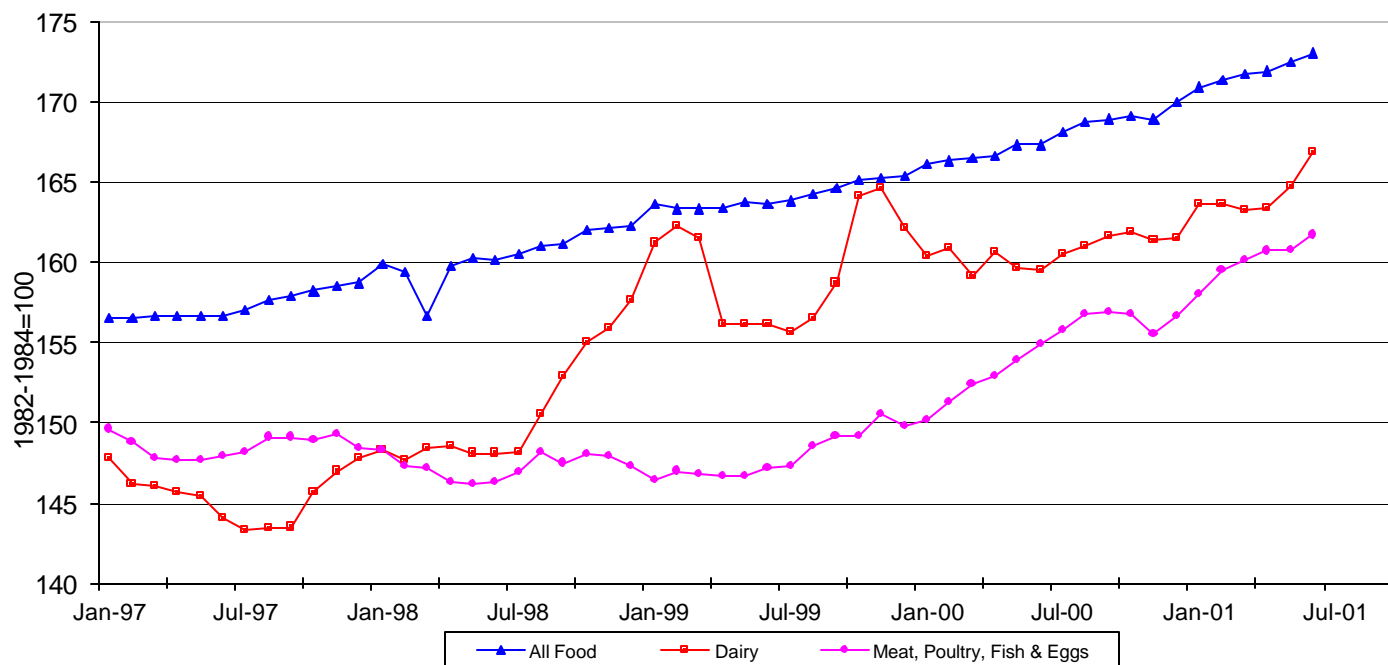
FEDERAL MILK ORDER ADVANCE PRICES, AUGUST

Class I Base Price -- Under the Federal milk order pricing system, the Class I base price for August 2001 is \$15.40 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$7.90 and the advanced butterfat pricing factor of \$2.2212. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. **Class II Price Information** -- The advanced Class IV skim milk pricing factor is \$7.50. Thus, the Class II skim milk price for August is \$8.20 per cwt., and the Class II nonfat solids price is \$0.9111. **Product Price Averages** -- The two-week product price averages for August are; butter \$1.9364, nonfat dry milk \$0.9730, cheese \$1.6521, and dry whey \$0.2874.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <u>1/</u> <u>2/</u>				
Federal Milk Order Marketing Area <u>3/</u>	Order Number	August 2001		
		Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		\$ per cwt.	\$ per cwt.	\$ per pound
Northeast (Boston) <u>4/</u>	001	18.65	11.15	2.2537
Appalachian (Charlotte) <u>5/</u>	005	18.50	11.00	2.2522
Southeast (Atlanta) <u>6/</u>	007	18.50	11.00	2.2522
Florida (Tampa) <u>7/</u>	006	19.40	11.90	2.2612
Mideast (Cleveland) <u>8/</u>	033	17.40	9.90	2.2412
Upper Midwest (Chicago) <u>9/</u>	030	17.20	9.70	2.2392
Central (Kansas City) <u>10/</u>	032	17.40	9.90	2.2412
Southwest (Dallas) <u>11/</u>	126	18.40	10.90	2.2512
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	17.75	10.25	2.2447
Western (Salt Lake City) <u>13/</u>	135	17.30	9.80	2.2402
Pacific Northwest (Seattle) <u>14/</u>	124	17.30	9.80	2.2402
All-Market Average		17.98	10.48	2.2470

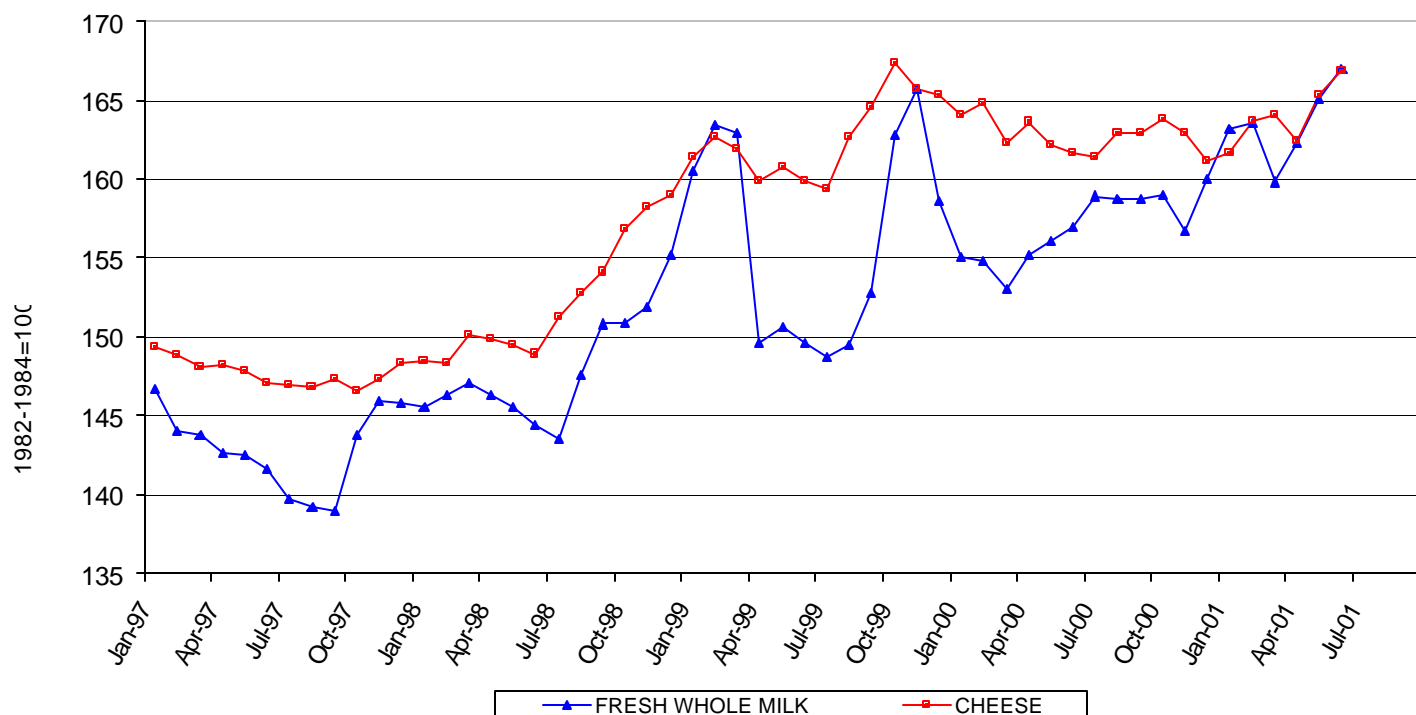
1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. 2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. 3/ Names in parentheses are the major city in the principal pricing point of the markets. 4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25. 5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90. 6/ Class I prices at other cities are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90. 7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30. 8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. 9/ Class I prices at other cities are: Milwaukee, minus 0.05; and Minneapolis, minus, \$0.10. 10/ Class I prices at other cities are: Des Moines, minus 0.20; Omaha, minus 0.15; Oklahoma City, plus 0.60; St. Louis, same; and Denver plus \$0.55. 11/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. 12/ Class I price at Las Vegas is minus \$0.35. 13/ Class I price at Boise is minus \$0.30. 14/ Class I prices at other cities are: Portland, same; and Spokane, same.

CONSUMER PRICE INDEX



Source: US Dept of Labor, BLS, Graph: DMN

CONSUMER PRICE INDEX



CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF JULY 23 - 27, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/00	SAME PERIOD LAST YEAR	WEEK ENDING 07/20/01	SAME PERIOD LAST YEAR
<u>BUTTER</u>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>CHEESE</u>							
Block	-0-	-0-	-0-	3,050,083	1,162,919	-0-	-0-
Barrel	-0-	-0-	-0-	4,025,276	-0-	-0-	-0-
Process	-0-	-0-	-0-	3,999,600	5,583,600	-0-	-0-
TOTAL	-0-	-0-	-0-	11,074,959	6,746,519	-0-	-0-
<u>NONFAT DRY MILK</u>							
Nonfortified	5,439,801	2,279,031	3,160,770	361,412,453	406,354,778	591,772,000	-0-
Fortified	-0-	-0-	-0-	28,151,091	7,685,460	38,227,000	-0-
TOTAL	5,439,801	2,279,031	3,160,770	389,563,544	414,040,238	629,999,000	-0-

#Although an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF JULY 23 - 27, 2001 =	0.7	36.8	COMPARABLE WEEK IN 2000 =	1.6	85.2
CUMULATIVE SINCE OCTOBER 1, 2000 =	187.9	4,644.2	CUMULATIVE SAME PERIOD LAST YEAR =	153.4	4,886.2
CUMULATIVE JANUARY 1 - JULY 27, 2001 =	71.4	3,161.6	COMPARABLE CALENDAR YEAR 2000 =	142.1	4,293.1

* Factors used for Fat Solids Basis Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF JULY 23 - 27, 2001 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	3,160,770	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/00 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00
MIDWEST	-0-	-0-	5,995,440	6,665,991	6,544,761	44,738,558	30.2	46.5
WEST	-0-	-0-	5,039,919	80,528	383,018,783	364,361,420	69.6	52.8
EAST	-0-	-0-	39,600	-0-	-0-	4,940,260	0.2	0.7
TOTAL	-0-	-0-	11,074,959	6,746,519	389,563,544	414,040,238	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER MAY 31, 2001

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

BUTTER Bulk \$.8548 per pound; 1# Prints \$.8848

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1839; Process Am. 2# \$1.2239

NONFAT DRY MILK Nonfortified \$.9000 per pound; Fortified \$.9100; Instant \$1.0575

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 07/07/01 & Comparable Week 2000

											U.S. TOTAL		% DAIRY OF ALL	
Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1	WEEK SINCE JAN 1	
2001-Dairy	0.2	0.6	5.3	3.7	15.4	1.5	1.0	0.6	7.5	1.7	37.5	1,365.8	42.3	47.0
2000-Dairy	0.2	0.7	5.1	3.3	15.6	1.5	0.6	0.4	7.9	1.7	37.0	1,346.1	49.1	48.8
2001-All cows	0.2	0.8	7.2	12.7	22.5	11.6	14.5	4.1	9.8	5.4	88.6	2,908.5		
2000-All cows	0.2	0.8	6.9	8.0	23.0	8.0	11.0	3.1	10.1	4.4	75.4	2,758.1		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000) AND BFP (1998-99) MILK PRICES, (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37

FEDERAL MILK ORDER CLASS PRICES FOR 2001 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	13.99	11.94	12.65	13.44	14.21	14.99	15.34	15.40				
II	12.82	13.43	14.17	15.10	15.72	16.05						
III	9.99	10.27	11.42	12.06	13.83	15.02						
IV	12.13	12.70	13.46	14.41	15.04	15.33						

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/mib/class_prod_milk_comp_pr.htm